

Graeme Charles on Co-operation in The Devondaler



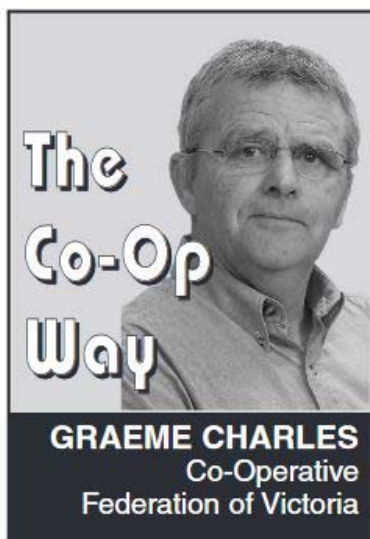
Graeme Charles was the Executive Officer and Secretary of the Co-operative Federation of Victoria Ltd between 1999 and 2002 and Deputy Chairman between 2002 and 2008 – the peak body for co-operatives in the Australian State of Victoria.

Between 2006 and 2008 Graeme Charles was a guest columnist for The Devondaler – the monthly newspaper of Murray Goulburn Co-operative Co. Limited. The Devondaler was established in 1986.

The Co-operative is one of Australia's largest with 2200 dairy farmer members and more than 2000 employees.

Twenty of these columns have been reproduced.

Particular Challenges for Co-operatives – Effective democracy, or to put it another way, Members in Control



A co-operative exists to serve its members and its purpose is to deliver benefits to them. Therefore, co-operatives are committed to democratic governance structures with important decisions regarding business strategy being taken on a one-member one-vote basis. This is a reasonably straightforward operation for a business with only a few members, operating in a single location.

However as a co-operative increases in size, in terms of its membership numbers and their geographic spread, it becomes increasingly difficult for it to avoid sacrificing the co-operative principle of democratic member control. As soon as co-operatives expand to a scale and have a geographic spread to a point where the characteristics of

a small and local organization are lost then there is the need to introduce a new type of system that allows the members to exercise their essential functions in the control process.

Fortunately, examples of large-scale co-operative enterprises do exist in both this country and overseas, which show that size can be achieved without sacrificing the co-operative strengths of democratic organization. For example, in the UK, the largest consumer

co-operative society, the Co-operative Group, has over 75,000 employees and a turnover of over 5 billion pounds sterling.

Representative structures have evolved when it is no longer realistic to expect members to travel to a central point for meetings. Modern communication systems now available should greatly enhance the effectiveness of regional member structures. By making use of new information technology, a co-operative can secure a much more active involvement of members in decision- making processes.

Sometimes it is decided that there is a need for a member representative structure beyond that of a directly selected board of directors. Such a structure can reflect the different interests of various groups within the co-operative. However, whatever type of structure is evolved in order to give effect to member control within a co-operative, all the people involved, whether elected or appointed, should not be left in any doubt as to their functions within the organization. They all, without exception should be provided training in how to carry out their specific roles within the co-operative's control structure.

The task of developing a more active involvement of members who will eventually take on the roles of member representatives and as directors, is one which existing co-operative leaders need to be committed to. The future of the co-operative depends upon the identification and development of such active individuals.

(Reproduced from *Reinventing The Co-operative* by Edgar Parnell. Published by Plunkett Foundation 1995)

12 February 2007



List of Graeme Charles articles published between 2006 - 2008

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Why do you belong to Murray Goulburn Co-operative Company	1 September 2006	1
The importance of co-operatives in agriculture across the world.	2 October 2006	2
What Gives Co-operatives A Bad Name	21 November 2006	3
Murray Goulburn one of only two Australian co-operatives in the ICA Global 300	No date	4
UK Co-operative College and Co-operative Federation of Victoria helping Murray Goulburn members co-operative identity	!! December 2006	6
Review of The Democracy Principle: Farmer Co-operatives in Twentieth Century Australia by David Griffiths	12 February 2007	7
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